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# The MBE Monitor

Integrity. Accountability. Opportunity.

*A Publication of the Maryland Department of Transportation's Office of Minority Business Enterprise  
The Official Certification Agency for the State of Maryland*

## A Message From The Governor

Small and family-owned businesses are the economic engine of our economy, vital to helping us achieve our top priority – creating jobs – and helping us move Maryland out of this recession, and into better times. In these tough times, I know that our small businesses are facing some very difficult challenges.

That's why the O'Malley-Brown Administration is taking a proactive approach to strengthening small, minority- and women-owned businesses. Our strategy includes increasing access to capital, helping ease the burden of higher unemployment insurance premiums, growing the Minority Business Enterprise program, and expanding technology and skills training opportunities.

I am committed to the Ten Point Strategy to Strengthen Small Business in Maryland. Since unveiling this plan in November 2009, we have been talking with small business owners and aggressively pursuing strategies that fuel innovation and expand opportunity throughout Maryland. We have hosted a number of small business roundtables and town hall discussions across the State and created the Small Business Task Force to get the recommendations and input of business owners from all across Maryland.

Small business is big business in Maryland. Together, we can make the connections that create progress and build a more prosperous future, not just for ourselves, but for our children, and our children's children.

Sincerely,

Martin O'Malley  
Governor

### Ten Point Strategy to Strengthen Small Business in Maryland

1. Create Maryland's first ever Commission for Small Business, built upon the positive momentum of the Small Business Task Force and giving the small business community a permanent seat at the table.

2. Expand assistance to Maryland businesses through the Health Insurance partnership, fulfilling our capacity to serve 1,500 businesses and 10,000 Marylanders with access to quality, affordable health insurance through employment at a Maryland small business.

3. Create one uniform loan application for small business applying for State financing and streamline the State's permitting requirements to further reduce red tape.

4. Match President Obama's commitment to waive borrowing fees for Small Business Administration loans on the State level, including fees for the Maryland Small Business Development Financing Authority, which has provided nearly \$5 million in assistance.

5. Work with our Congressional delegation to secure greater capital from the federal government for our small businesses.

6. Expand efforts to advance the Minority Business Enterprise (MBE) Program by further

enhancing the unprecedented efforts of the O'Malley-Brown Administration (which maintains the highest MBE goals for State agencies in the nation) that achieved 22% MBE participation across State government in FY09 and awarded \$346 million to African American firms, a 30% increase from the previous year.

7. Set aside a percentage of certain State contracts for small business through the Small Business Reserve Program, extending the program six more years and allowing Maryland small businesses to navigate the bidding process without being overwhelmed by large corporations.

8. Through our Federal Facilities Task Force, work with the federal government to open procurement and contracting opportunities for more Maryland businesses.

9. Work with the business community to find ways to do an even better job of providing skills training and promoting career readiness in our schools, particularly as it relates to things like Career and Technology Education (CTE) and Science, Technology, Engineering and Math (STEM) education.

10. Work with the business community to find a sustainable solution to the unemployment insurance challenges facing Maryland small businesses.

## Recertification Readiness

The Maryland Department of Transportation's (MDOT) **Directory of MBE/DBE Certified Firms** increased by 10.4% in 2009 and it is still growing. Today, there are more than 4,700 firms listed in this valuable online resource. Certified firms are required to recertify annually in order to retain their Minority Business Enterprise (MBE) or Disadvantaged Business Enterprise (DBE) status and remain in MDOT's directory. Firms that do not complete the recertification process are removed from the directory and will be required to undergo the full application process if they decide to seek certification again at any time in the future.

"Too frequently, we talk with firms that let their certification lapse then want to come back into the program quickly because they have an opportunity to participate on an upcoming contract," said Zenita Wickham Hurley, Director of MDOT's Office of Minority Business Enterprise (OMBE). "The unfortunate reality is that these firms have to start all over again."

Ms. Hurley points out that the annual recertification process is not difficult to complete. For the two years following initial certification, firms that continue to meet the programs' eligibility requirements submit a notarized

Recertification Statement. On the third year, firms submit a completed Recertification Application. This three-year cycle repeats as long as the firm continues to meet eligibility requirements.

Recertification is a paper process and some supporting documents are required. OMBE contacts firms in writing 30-45 days prior to their renewal date with complete instructions. OMBE's Recertification Unit handled 2,780 recertifications in 2009.

Annual recertification is a great time to check your company's listing in MDOT's **Directory of MBE/DBE Certified Firms** for accuracy.

"We work very hard to keep the directory current," said OMBE's Recertification Manager Catherine Svoboda. "When firms move or change their contact information, it is important to let us know so the directory can be updated."

Annual recertification is also a great time to consider applying for an Expansion of Services. When a certified firm adds new products or services, they may expand their existing NAICS (North American Industry Classification System) Codes. The process begins by sending a written request to OMBE that notes the products or services to be added. An officer will be assigned to investigate the request and perform an onsite visit to verify compliance with the established certification requirements.

Firms that fail to complete the recertification process may be removed from the Minority Business Enterprise Program. Maintain your certification by completing the annual recertification process in a timely manner.



## Joint Ventures & Teaming Agreements

Business can have very successful partnerships with companies that might otherwise be competitors by entering into joint ventures and teaming agreements when competing for government contracts. These types of partnerships should be considered when the potential exists to increase each partners' competitive advantage while simultaneously broadening opportunities and expanding revenue.

Joint ventures are short-term partnerships created to undertake a specific

project. The participating businesses contribute assets and share the risk as well as the profits proportionately. Joint ventures require a formal partnership arrangement since all entities are actively engaged in the entity's management. When setting up a joint venture, pay attention to the details such as liability, bonding and responsibilities within the defined

scope of work. When one partner is large and the other small, or when both are small, the entities may enter into a teaming agreement. The most common form of teaming is when

one business serves as the prime contractor and one or more others serve as subcontractors. The teaming agreement is built around a specific project or contract with

each entity performing a predefined portion of the work.

Income earned through joint ventures and teaming agreements is reflected on your company's annual tax filing and will be considered under the business size standard criteria as it relates to certification in the Minority Business Enterprise (MBE) program. Only the MBEs actual participation can be counted toward minority participation goals. Keep in mind that only subcontractors can meet minority participation goals.



## MBE Success Story: *ALL-SHRED, Inc.*

Mary Pat Kulina opened ALL-SHRED, Inc. in 1999. She and her husband had run a successful heating and air conditioning company for years, but Mary Pat wanted to strike out on her own. Mobile shredding was just getting started at that time, but Mary Pat could see the advantages of this emerging business. She did her competitive research and wrote a marketing plan. The day after purchasing her first truck, Ms. Kulina went door-to-door visiting potential customers and explaining how the shredding process saves time, money and effort while protecting personal information. The business has been growing ever since.

"Getting the business started was the hardest part," said Ms. Kulina. "The truck payment cost more than my mortgage and it had to be paid. I've always been active in the community, so I tapped into those business and civic relationships to build my customer base."

According to Ms. Kulina, being persistent is important, but building relationships is critical to success. "People want to do business with people they know and trust. Of course once you get the work, you have to deliver!"

ALL-SHRED, Inc., received MBE/DBE certification in 2001. About 40% of the company's business is linked to government contracts. Ms. Kulina knows first-hand how hard it is to get that first one, but she also believes the reward is worth the work. "Don't allow the procurement process to overwhelm you – just learn how to do it and get out there and compete. I am honored to have such a great team," Ms. Kulina concluded. "It has been an exciting journey so far."



### MARKETING TIP: *What's Your Plan?*

No business owner keeps track of all the company's finances in his/her head. Your balance sheet is a hard copy document that is closely monitored and measured. The same should be true of your marketing plan.

Every successful company has a marketing plan. By writing it down, you create a set of instructions for how to position your product/service as a solution to somebody's problem. The strategies and tactics should define who you are trying to reach and how you plan to get there.

Invest time preparing your marketing plan. Spend several months watching your competition and talking with your employees. Seek ways to differentiate your marketing efforts and use what you learn to create realistic and achievable goals. Creating the plan from scratch is the hardest part. Executing it is much easier, especially if you don't keep it a secret. Share the plan with your employees so they can actively contribute to your marketing initiatives. Keep your marketing plan in a three-ring binder and look at it frequently, or at the very least, quarterly. Honestly evaluate the successes and failures so you'll know what's worth repeating and what to avoid in the future.

Plans, by their very nature, are imperfect things. Having a marketing plan does not ensure success, but it will help you move closer to your target. You won't go anywhere by standing still. The Internet is full of great resources for small business owners. Check out [www.business.gov/expand/marketing](http://www.business.gov/expand/marketing) for help in mastering your own marketing plan.



### Kudos!

Maryland's inclusive business strategies have received national and regional recognition. The **Federal Highway Administration** recently released its FY2008 report of contract percentages to Disadvantaged Business Enterprises (DBEs).

With 27.93% of contracting and subcontracting dollars awarded to DBEs in FY2008, Maryland is at the top of the national list! Maryland was also one of only two states to stay above the 14% mark for FY2008 and FY2006 research periods. The **Maryland Washington Minority Contractors' Association, Inc.** (MWMCA) named Beverley K. Swaim-Staley, Secretary of the Maryland Department of Transportation (MDOT), as its 2010 Best Inclusive Government Leader for Minority Business Enterprise. She was selected based on criteria that included outreach to minority business communities, staff diversity, advocacy and more. She will receive the award during MWMCA's Seventh Annual Spring Breakfast/Annual Meeting in May. Secretary Swaim-Staley also was recognized by the Maryland Chapter of the **Conference of Minority Transportation Officials** during an awards program deemed "A Celebration of Leadership in Public Transportation." The first women to head MDOT, the Secretary shared the award with the O'Malley-Brown Administration, State employees and the contracting community working out in the field every day.



**Martin O'Malley**  
Governor

**Anthony G. Brown**  
Lt. Governor



**Maryland Department  
of Transportation**

**Beverley K. Swaim-Staley**  
Secretary

**Harold M. Bartlett**  
Deputy Secretary

**Karen Williams Gooden**  
Assistant Secretary

**Zenita Wickham Hurley**  
Director  
Office of MBE

**Richelle Thomas**  
Deputy Director  
Office of MBE

**Alison Tavik**  
Public Relations Manager  
Office of MBE

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Please call 410-865-1269  
or TTY 410-865-1342.

Website:  
[www.mdot.maryland.gov](http://www.mdot.maryland.gov)

Email:  
[mbe@mdot.state.md.us](mailto:mbe@mdot.state.md.us)

## Procurement Opportunities

Take advantage of State and local government contracting opportunities by registering with **eMaryland Marketplace** at <http://www.emarylandmarketplace.com>. The free registration provides a means for businesses to receive e-mail notification of upcoming contracting opportunities in their specified areas of interest and expertise. For registration requirements, visit [www.emarylandmarketplace.com](http://www.emarylandmarketplace.com) to join Maryland's gateway to bidding opportunities for commodity, construction, architect and engineering, facility maintenance, human services, information technology and related services. Listed below are a few upcoming opportunities.

**J02SO265276** – I-70 Phase 2D (Design Build). The project consists of the design and reconstruction of Interstate Route 70 (I-70) and is located in Frederick County beginning east of MD 144FA (Patrick Street) and ending west of East South Street/Reich's Ford Road. The project includes widening I-70 for approximately one mile (adding one through lane and one auxiliary lane in each direction), ramp realignments/replacements, and adjusting the vertical profile(s) of mainline I-70

and ramps. The scope also includes the replacement of the two (eastbound and westbound) I-70 bridges. MBE goal: 30%

**BCSSO267678** – Asbestos Re-Inspection Services. Provide re-inspection services to comply with provisions of the Asbestos Hazard Emergency Response Act (AHERA) of 1986 at various Baltimore City Public School buildings. MBE goal: 27%; women sub-goal: 10%.

**J04SO259951** – Digital Information Advertising Systems. The Motor Vehicle Administration's (MVA) operations include serving a population of over 2 million people annually with motor vehicle and identity-related services. In order to better serve the public during the waiting process, MVA is seeking a competent advertising vendor to provide revenue producing digital advertising systems at 22 MVA locations statewide. MBE goal: 15%

## Learning Opportunities

**MBE** University is one of the O'Malley-Brown Administration's special initiative designed to support Maryland's minority business community. A collaborative effort between the Governor's Office of Minority Affairs, the Department of Business and Economic Development, the Department of General Services, the Governor's Grants Office and the Department of Transportation, the day-long curriculum is designed for firms that want to learn how to navigate the State's procurement process as a certified Minority Business Enterprise (MBE) as well as firms seeking MBE certification. Small, minority and women business owners in each region are encouraged to participate as MBE University hits the road in 2010. Space is limited at each location, so mark your calendar and plan to attend the MBE University stop nearest you. For more information, visit the Governor's Office of Minority Affairs' website at <http://www.oma.state.md.us> for more information.

### MBE University Tour

**Central Maryland**  
Towson Sheraton  
May 7, 2010

**Southern Maryland**  
College of Southern  
Maryland  
May 21, 2010

**Eastern Shore**  
University of Maryland  
Eastern Shore  
June 16, 2010

**Western Maryland**  
Hagerstown Community  
College  
July 7, 2010